

Message Text

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ACTION PM-04

INFO OCT-01 EA-07 ISO-00 NSC-05 SP-02 SS-15 L-03
CIAE-00 INR-07 NSAE-00 MC-02 ACDA-07 AID-05 IGA-02
OMB-01 TRSE-00 EUR-12 /073 W
-----123259 291134Z /17

R 290928Z JUN 77

FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC 2068
INFO SECDEF WASHDC
CINCPAC HONOLULU HI

C O N F I D E N T I A L JAKARTA 8587

CINCPAC ALSO FOR POLAD

E.O. 11652: GDS
TAGS: MASS, ID
SUBJECT: MORE FAVORABLE FMS CREDIT TERMS FOR INDONESIA

REF: (A) JAKARTA 0345 (DTG 070955Z JAN 77), (B) JAKARTA
5879 (DTG 060835Z MAY 77)

1. REFTELS POINTED OUT THE ECONOMIC JUSTIFICATION FOR MORE FAVORABLE FMS CREDIT TERMS FOR INDONESIA, NOTING IN PARTICULAR THE SEVERE DROP IN THE INFLOW OF FOREIGN EXCHANGE AND THE INCREASE IN THE DEBT SERVICE BURDEN PROJECTED FOR THE LAST TWO YEARS OF THIS DECADE. THESE PROJECTIONS REMAIN VALID. REF A POINTED OUT THAT INDONESIANS ALSO TENDED TO ASSOCIATE LIBERALITY OF FMS CREDIT TERMS WITH DEGREE OF USG INTEREST IN INDONESIA'S SECURITY. THESE POLITICAL CONSIDERATIONS CONTINUE TO FIGURE IMPORTANTLY IN INDONESIAN THINKING.

2. RECENTLY SEVERAL KEY GOI MILITARY LEADERS HAVE ASKED FOR A RESPONSE TO THEIR REQUEST FOR MORE FAVORABLE TERMS. IT WOULD APPEAR, IN FACT, THAT INDONESIANS ARE NOW
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DRAWING UP LONG-RANGE PROCUREMENT PLANS AND WISH TO REACH DECISION ON WHAT USE MIGHT BE MADE OF US CREDITS. THEIR APPROACHES MAY HAVE BEEN PROMPTED IN PART BY COMPARATIVELY LIBERAL TERMS REPORTEDLY OFFERED BY FRENCH AND WEST GERMANS. WE UNDERSTAND FRG GUARANTEED LOANS FOR RECENT SUBMARINE PURCHASE MAY HAVE INVOLVED TEN YEAR REPAYMENT PERIOD. FRENCH ARE REPORTEDLY OFFERING TOTAL CREDIT OF

OVER \$200 MILLION WITH TEN YEAR REPAYMENT PERIOD.

3. WE WOULD MOST APPRECIATE KNOWING STATUS OF EMBASSY
REQUEST THAT FMS CREDIT PAYMENT PERIOD FOR INDONESIA BE
EXTENDED TO EIGHT YEARS PRECEDED BY TWO YEAR GRACE PERIOD.
NEWSOM

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LOBBYING, MILITARY CREDIT
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JAKART08587
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770231-1308
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977068/aaaaagrm.tel
Line Count: 68
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f6033a83-c288-dd11-92da-001cc4696bcc
Office: ACTION PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 JAKARTA 345
Retention: 0
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Review Content Flags:
Review Date: 12-Oct-2004 12:00:00 am
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2235676
Secure: OPEN
Status: NATIVE
Subject: MORE FAVORABLE FMS CREDIT TERMS FOR INDONESIA
TAGS: MASS, ID, US
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/f6033a83-c288-dd11-92da-001cc4696bcc
Review Markings:
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